

advantage of its private carrier status and discriminate in the provision of space segment service on thin routes by offering below-cap rates solely to affiliated companies or to preferred end users.¹²⁵ We will continue to monitor the performance of the thin route market to ensure that anti-competitive abuses do not occur. In this regard, as with Intelsat LLC, U.S. carriers in the future may file petitions to impose common carrier status on Intelsat USA Sales Corporation if they present information that Intelsat USA Sales Corporation is acting as a common carrier in its provision of space segment capacity.

F. Foreign Ownership

35. Section 310(b)(4) of the Act establishes a twenty-five percent benchmark for indirect, attributable investment by foreign individuals, corporations, and governments in U.S. common carrier radio licensees, but grants the Commission discretion to allow higher levels of foreign ownership if it determines that such ownership is not inconsistent with the public interest.¹²⁶ Intelsat LLC, although not providing service at this time on a common carrier basis, would hold dual-use non-common carrier and common carrier radio licenses. Applicants identify proposed indirect foreign investment in Intelsat LLC that would exceed the twenty-five percent benchmark set by section 310(b)(4). We therefore must consider the proposed assignment of these dual-use licenses to Intelsat LLC under this section of the Act.¹²⁷ For the reasons discussed below, we conclude that it would not serve the public interest to deny the assignment applications because of the identified indirect foreign ownership of Intelsat LLC.

36. In the *Foreign Participation Order*, the Commission concluded that the public interest would be served by permitting greater investment by entities from World Trade

¹²⁵ In this instance, affiliation entails equity holdings, joint ownership, or other kinds of joint venture agreements.

¹²⁶ See 41 U.S.C. § 310(b)(4) (providing that “No broadcast or common carrier or aeronautical en route or aeronautical fixed radio station license shall be granted to or held by ... any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government, or representative thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest would be served by the refusal or revocation of such license.”).

¹²⁷ Section 310(a) of the Act prohibits any radio license from being “granted to or held by” a foreign government or its representative. See 47 U.S.C. § 310(a). The ownership structure proposed by Intelsat LLC is such that no foreign government or representative will hold any of the Intelsat LLC radio licenses. Section 310(b)(1)-(2) of the Act prohibits common carrier, broadcast and aeronautical fixed or en route radio licenses from being “granted to or held by” aliens, or their representatives, or foreign corporations. See 47 U.S.C. § 310(b)(1), (2). According to the Applications, no alien, or representative, or foreign corporation will hold the common carrier licenses. Accordingly, the proposed transaction does not trigger the foreign ownership provisions of section 310(a), (b)(1)-(b)(2) of the Act. See *VoiceStream/Deutsche Telekom Order*, 16 FCC Rcd at 9799-9800, paras. 38-48 (issues related to indirect foreign ownership of common carrier licensees addressed under section 310(b)(4)). In addition, because the proposed transaction does not involve direct foreign investment in Intelsat LLC, which would hold the common carrier licenses, it does not trigger section 310(b)(3) of the Act, which places a 20% limit on direct alien, foreign corporate or government ownership of entities that hold common carrier, broadcast and aeronautical fixed or en route Title III licenses. See 41 U.S.C. § 310(b)(3).

Organization (“WTO”) Member countries in U.S. common carrier and aeronautical fixed and en route licensees.¹²⁸ Therefore, with respect to indirect foreign investment from WTO Members, the Commission replaced its “effective competitive opportunities,” or “ECO,” test with a rebuttable presumption that such investment generally raises no competitive concerns.” With respect to non-WTO Members, the Commission continues to apply the ECO test in order to preserve the international public policy goals of (i) promoting effective competition in the global market for communications services; (ii) preventing anti-competitive conduct in the provision of international services or facilities; and (iii) encouraging foreign governments to open their communications markets.¹³⁰ In evaluating an applicant’s request for approval of foreign ownership interests under section 310(b)(4), the Commission uses a “principal place of business” test to determine the nationality or “home market” of foreign investors.¹³¹ Thus, in light of the policies adopted in the *Foreign Participation Order*, we begin our evaluation of the proposed transaction under section 310(b)(4) by calculating the proposed attributable, indirect foreign equity and voting interests in Intelsat LLC. We then determine whether these foreign interests properly are ascribed to individuals or entities having their principal places of business in WTO Member countries.

37. The calculation of foreign ownership interests under section 310(b)(4) is a two-pronged analysis in which the Commission examines separately the equity interests and the voting interests in the licensee’s parent.¹³² The Commission calculates the equity interest of each foreign investor in the parent and then aggregates these interests to determine whether the sum of the foreign equity interests exceeds the statutory benchmark. Similarly, the Commission calculates the voting interest of each foreign investor in the parent and aggregates these voting interests.¹³³ The presence of aggregated alien equity or voting interests in a common carrier

¹²⁸ *Foreign Participation Order*, 12 FCC Rcd at 23896, para. 9, 23913, para. 50, and 23940, paras. 111-12.

¹¹⁹ *Id.* at 23896, para. 9, 23913, para. 50, 23940, paras. 111-12.

¹³⁰ *Id.* at 23894-95, para. 5.

¹³¹ Specifically, in determining a foreign entity’s home market for purposes of the public interest determination under section 310(b)(4), the Commission will identify and balance the following factors: (1) the country of its incorporation, organization or charter; (2) the nationality of all investment principals, officers, and directors; (3) the country in which its world headquarters is located; (4) the country in which the majority of its tangible property, including production, transmission, billing, information, and control facilities, is located; and (5) the country from which it derives the greatest sales and revenues from its operations. *See Foreign Participation Order*, 12 FCC Rcd at 23941, para. 116 (citing *Marker Entry and Regulation of Foreign-Affiliated Entities*, Report and Order, FCC 95-475, 11 FCC Rcd 3873, 3951, para. 207 (1995) (“*Foreign Carrier Entry Order*”). For examples of cases applying the five-factor “principal place of business” test, *see Comsat-Telenor Order*, 16 FCC Rcd 22897 (2001); *Space Station System Licensee, Inc.* (Assignor) and *Iridium Constellation LLC* (Assignee), Memorandum Opinion, Order and Authorization, DA 02-307, 17 FCC Rcd 2271 (1B 2002).

¹³² *BBC License Subsidiary L.P.*, Memorandum Opinion and Order, DA 95-364, 10 FCC Rcd 10968, 10973, para. 22 (1995) (“*BBC License Subsidiary*”).

¹³³ *See id.* at 10972, para. 20.

licensee's parent in excess of twenty-five percent triggers the applicability of section 310(b)(4)'s statutory benchmark.¹³⁴ Once the benchmark is triggered, section 310(b)(4) directs the Commission to determine whether the "'public interest will be served by the refusal or revocation of such license.'"¹³⁵ Assignees advise that the equity interest of each shareholder of Intelsat LLC's ultimate parent Intelsat, Ltd., set out in Attachment 2 to the Petition for Declaratory Ruling, is equivalent to that shareholder's voting interest.¹³⁶

38. As discussed in section II.B above, Intelsat LLC is a Delaware limited liability company that is wholly owned by Intelsat Holdings LLC, also a Delaware limited liability company. Intelsat Holdings LLC is wholly owned by Intelsat (Bermuda), Ltd., which, in turn, is a direct, wholly-owned subsidiary of Intelsat, Ltd. We have previously determined that Bermuda, a dependent territory of the United Kingdom, is treated as a WTO Member country.¹³⁷ Although the Applicants have not submitted a formal principal place of business showing for Intelsat, Ltd. or its foreign subsidiary holding company, we find that the privatized company and its foreign subsidiary should be considered principally to conduct business in and from Bermuda and other WTO Member countries. Intelsat, Ltd. and Intelsat (Bermuda), Ltd. are incorporated under the laws of Bermuda." Intelsat, Ltd. has its headquarters in Bermuda and maintains other offices in several WTO Member countries, including the United States." The officers and directors of Intelsat, Ltd. are citizens of Bermuda, the United States and other WTO Member countries.¹⁴⁰

¹³⁴ See, e.g., *Sprinr Corpororion, Petition for Declaroron Ruling Concerning Section 310(b)(4) and (d) and the Public Interest Requirements of the Communications Acr of 1934, as onretided*, Declaratory Ruling and Order, FCC 95-498, 11 FCC Rcd 1850, 1857, para. 47 (1995) ("*Sprinr Ruling*"). See also *BBC License Subsidiary*, 10 FCC Rcd at 10972, para. 20: *Request for Declaratory Ruling Concerning the Citizenship Requirements of Sections 310(b)(3) and (4) of the Conimunicarions Arr of 1934, as amended*, Declaratory Ruling, FCC 85-295, 103 FCC 2d 511, 520, para. 16, 523, para. 21 (1985) ("*Wilner & Scheiner I*"). *recon in pan*, FCC 86-406, 1 FCC Rcd 12 (1986) ("*Wilner & Scheiner II*").

¹³⁵ See *Sprinr Ruling*, 11 FCC Rcd at 1857, para. 47 (quoting section 310(b)(4)). It is the licensee's obligation to inform the Commission before its indirect foreign ownership exceeds the 25% benchmark set forth in section 310(b)(4). See *Fox Television Srarioris, Iric.. Order*, FCC 95-188, 10 FCC Rcd 8452, 8474, para. 52 (1995).

¹³⁶ July 24 Letter, *supra* note 21, at I

¹³⁷ See *Cable & Wireless USA, Inc., Application for Authority to Operare as a Fahciliries-Based Carrier in Accordance with the Provisions of Section 63.18(e)(4) of the Rules Between rhe United States and Bermuda*, Order, Authorization and Certificate, DA 00-311, 15 FCC Rcd 3050, 3052, para. 7 (TD/IB 2000) (relying on an opinion provided by the U.S. Department of State that the 1994 Marrakash Agreement Establishing the World Trade Organization applies to Bermuda).

¹³⁸ See Petition for Declaratory Ruling, *supra* note 1, at 6-7. The Commission specifically acknowledged in the *Intelsat LLC Licensing Order* that INTELSAT intended to transfer its assets to a national stock corporation, with a holding company structure, that likely would be incorporated and located in Bermuda. See *Intelsat LLC Licensing Order*, 15 FCC Rcd at 15471, para. 23.

¹³⁹ See www.intelsat.com/news/mediakit/news/news_facts.asp (visited Sept. 30, 2002).

We also find below. **as** did the Commission in the *Intelsat LLC Licensing Order*, that only a small percentage of the equity and voting interests in Intelsat, Ltd. are held by individuals or entities from non-WTO Member countries.'" Intelsat, Ltd. offers service in more than 200 countries utilizing a network that includes twenty-two geostationary satellites, and it derives revenues on a global basis, not from any particular country or region.'" Thus, on balance, we find that Intelsat, Ltd. and its subsidiaries should be considered principally to conduct business in and from Bermuda and other WTO Member countries.¹⁴³

39. According to Applicants, Lockheed Martin, a U.S. corporation, holds approximately **24.05%** of equity and voting interests in Intelsat, Ltd. through Comsat Corporation and related Comsat business entities.'" The Applicants further represent that the remaining equity and voting interests in Intelsat, Ltd. are widely dispersed among more than 220 entities, representing more than **145 nations**.¹⁴⁵

40. When the Commission first considered the indirect foreign ownership of Intelsat LLC in the *Inreلسar LLC Licensing Order*, it found that approximately ninety-one percent of Intelsat LLC shares would be held by entities that had their home markets in WTO Member countries (including the United States).¹⁴⁶ Applicants state that, since that time, the ownership of Intelsat, Ltd. has not materially changed.¹⁴⁷ They assert that the only change in ownership interests since the *Inreلسar LLC Licensing Order* is an increased degree of WTO Member country ownership.¹⁴⁸ Applicants attached to their petition for declaratory ruling a listing of Intelsat, Ltd. shareholders, each shareholder entity's "nationality," the status of the home country's

(Continued from previous page) _____

¹⁴⁰ See Letter from Martha F. Heller, Wiley Rein & Fielding LLP, to Secretary, Federal Communications Commission (filed September 11, 2002) (Intelsat, Ltd. officers and directors are citizens of Argentina, Australia, Bermuda, Brazil, Canada, France, Germany, India, Norway, Senegal, Sweden, Tanzania, the United Kingdom, and the United States).

¹⁴¹ See *infra* para. 40.

¹⁴² Revenue by region in 2001 is as follows: Europe (29%); North America and Caribbean (24%); Asia and Pacific (18%); Latin America (13%); and Middle East and Africa (16%). See www.intelsat.com/news/mediakit/news_facts.asp (visited Sept. 30, 2002).

¹⁴³ See *Global Crossing Ltd. and Frontier Corporation, Applications for Transfer of Control Pursuant to Sections 214(a) and 310(d) of the Communications Act, as amended*, CC Docket No. 99-264, Memorandum Opinion and Order, 14 FCC Rcd 15911, 15919, para. 17 (WTB/IB/CCB 1999) (finding on balance that Global Crossing principally conducts its business in countries that are Members of the WTO).

¹⁴⁴ See Petition for Declaratory Ruling, *supra* note 1, at 9.

¹⁴⁵ See *id.*

¹⁴⁶ *Inreلسar LLC Licensing Order*, 15 FCC Rcd at 15484, para. 55.

¹⁴⁷ See Petition for Declaratory Ruling, *supra* note 1, at 9.

¹⁴⁸ Petition for Declaratory Ruling, *supra* note 1, at 16; July 24 Letter, *supra* note 21, at 2.

membership in the WTO, the percentage of shares held by each stakeholder, and the percentage of foreign government ownership of each shareholder, if any.¹⁴⁹ According to the revised shareholder list, entities from non-WTO Member countries, including WTO Observer countries, indirectly hold, in the aggregate, 6.07% of the equity and voting interests, well under the twenty-five percent threshold of non-WTO Member ownership and voting established by the *Foreign Participation Order*.

41. Applicants contend that there is no reason to depart from the Commission's determination, in the *Inreksar LLC Licensing Order*, that Intelsat LLC is entitled to the presumption that indirect investment from its WTO Member country shareholders is in the public interest.¹⁵⁰ LRT argues, however, that grant of the Applications would result in noncompliance with section 310(b)(4). LRT contends that the joint ownership of Intelsat, Ltd. by several foreign entities, including foreign governmental entities, could result in a government entity increasing its spending for communications services at price levels that would subsidize Intelsat LLC, leading to an increase in Intelsat LLC's market share and adversely impacting other competitors.¹⁵¹

42. Consistent with the *Foreign Participation Order*, we presume that indirect foreign ownership by investors from WTO Members serves the public interest. In this regard, the Commission has made no distinction between indirect government and private foreign ownership of U.S. common carrier licensees.¹⁵² LRT provides no persuasive evidence in this case to rebut the presumption that market entry by WTO Member investors, including foreign government stakeholders, raises no competitive concerns. As explained below, LRT has not demonstrated that indirect foreign government ownership of Intelsat LLC creates a high risk to competition in the United States such that special conditions or denial of the applications are warranted.

43. According to Applicants, total indirect foreign government ownership of Intelsat LLC currently is no higher than at the time of the *Inreksar LLC Licensing Order*, approximately 30 percent.¹⁵³ No single stakeholder with foreign government ownership has an ownership

¹⁴⁹ Appendix C to this order includes a corrected and updated version of this list, which Applicants initially appended to their petition as Attachment 2 and subsequently revised in their July 24 Letter. *supra* note 21, and then subsequently revised again in their September 6 Letter to take account of changes that had occurred after the filing of the Petition for Declaratory Ruling. See Letter from Rosemary C. Harold, Counsel to Applicants, to James L. Ball, Chief, Policy Division, International Bureau, Federal Communications Commission (filed September 6, 2002) ("September 6 Letter").

¹⁵⁰ *Intelsat LLC Licensing Order*, 15 FCC Rcd at 15483-84, paras. 51-55.

¹⁵¹ LRT Provisional Petition at 20-31.

¹⁵² See *Comsat-Telenor Order*, 16 FCC Rcd at 22910, para. 30 (citing *VoiceStream/Deutsche Telekom Order*, 16 FCC Rcd at 9810-11, para. 51).

¹⁵³ See Petition for Declaratory Ruling. *supra* note 1, at 16 n.23.

interest in Intelsat, Ltd. exceeding 4.2%.¹⁵⁴ Further, the ORBIT Act requires that Intelsat, Ltd. conduct a public offering and substantially reduce the aggregate level of ownership by former Signatories.¹⁵⁵ Although an individual stakeholder with foreign government ownership may increase its interest in Intelsat, Ltd. in the context of that offering, the specific foreign ownership ruling we adopt in this order prohibits any foreign person or entity, including a foreign government, from acquiring an indirect interest in Intelsat LLC that exceeds twenty-five percent without prior Commission approval. In addition, any increase above an individual investor's current indirect ownership interest, including any interest held indirectly by a foreign government, must be counted toward the aggregate twenty-five percent cap that we here impose on new indirect foreign ownership of Intelsat LLC.¹⁵⁶ More importantly, even assuming that a foreign government acquires indirectly as much as twenty-five percent of Intelsat LLC as a result of the public offering or otherwise,¹⁵⁷ any attempt to aid Intelsat LLC by funding predatory pricing strategies would be likely to fail. Anti-competitive activity can succeed only if the market that is the object of such activity is susceptible to the consolidation and maintenance of market power. As the Commission previously has recognized, to consolidate and maintain market power, a company would need to force the exit of its competitors from the market and prevent the entry of new competitors.¹⁵⁸

44. We find that attempts at exclusion through predatory pricing in the provision of fixed satellite service capacity would be unlikely to succeed. As explained *supra* in section III.C, with the exception of Intelsat's provision of switched and private line service capacity on thin routes, it faces numerous competitors and low barriers to entry in the provision of international transport capacity. In such circumstances, predation is unlikely to succeed. On thin routes, because Intelsat would be subject to alternative rate regulation, it could not recoup the losses that it would have to incur in its attempt to drive competition out of the market on those routes by raising rates.

¹⁵⁴ See September 6 Letter, *supra* n. 149; see also Appendix C to this order (France Telecom, 549-owned by the French government, owns 4.2%; Telenor Broadband Services AS, 79%-owned by the Norwegian government, owns 4.1%; and each other stakeholder with foreign government ownership owns less than 4%).

¹⁵⁵ See *supra* para. 3 and note 11

¹⁵⁶ See *infra* para. 46. These limitations on new, indirect foreign investment in Intelsat LLC are the same as those imposed in other section 310(b)(4) rulings. See, e.g., *Comsat-Telenor Order*, 16 FCC Rcd at 22913, para. 36; *GE/SES Order*, 16 FCC Rcd at 18884-85, para. 11; *Motient Services Order*, 16 FCC Rcd at 20477, para. 22. In this case, they provide additional assurance that the risk of predatory behavior alleged by LRT is negligible.

¹⁵⁷ We note that the Commission has determined as a general matter that Interests of less than 25% in a U.S. carrier by any single foreign carrier or by any group of foreign carriers acting in concert is unlikely to provide the Investing entities with an incentive to use any market power they may possess to engage in anti-competitive conduct for the purpose of increasing their profits. See *Foreign Participation Order*, 12 FCC Rcd at 23992, para. 223 (citing *Foreign Carrier Entry Order*, 11 FCC Rcd at 3904, para. 83); see also *Foreign Carrier Entry Order*, 11 FCC Rcd at 3905, para. 84 (noting that 25% also is the level at which foreign ownership in parents of a radio licensee is scrutinized under section 310(b)(4) of the Act).

¹⁵⁸ See *Comsat-Telenor Order*, 16 FCC Rcd at 22912, para. 33

45. Accordingly, we cannot find that Intelsat LLC's acquisition of dual-use earth station licenses from Assignors presents a high **risk** to competition that warrants the imposition of special conditions or denial of the assignment applications. **We** also note that the Executive Branch has not raised national security, law enforcement, foreign policy, trade policy or other concerns.¹⁵⁹ **We** therefore conclude, pursuant to section 310(b)(4) and the Commission's "open entry" standard for indirect investment from WTO Members in U.S. common carrier licensees, that it will not serve the public interest to prohibit the proposed assignment of the dual-use earth station licenses to Intelsat LLC.

46. Specifically, this ruling permits the indirect foreign ownership of Intelsat LLC by the foreign individuals and entities identified in Appendix C to this Order and Authorization. Intelsat **LLC** may acquire up to and including an additional, aggregate twenty-five percent indirect equity and/or voting interests from the foreign investors identified in Appendix C or from other foreign individuals or entities without seeking further Commission approval under section 310(b)(4), subject to the following conditions. First, no single foreign individual or entity, including those named in Appendix C, may acquire indirect equity and/or voting interests in Intelsat LLC in excess of twenty-five percent without prior Commission approval. Second, Intelsat LLC shall seek prior Commission approval before it accepts any additional indirect equity and/or voting interests from any investor from a non-WTO Member country that, when aggregated with non-WTO investment identified in Appendix C, exceeds twenty-five percent.

G. Foreign Carrier Affiliation

47. As part of our public interest analysis under section 214(a), we also consider whether, upon consummation of the proposed transaction, Intelsat USA License Corp. will be, or will be affiliated with, a foreign carrier that has market power on the foreign end of a U.S. international route that Intelsat USA License Corp. will have authority to serve pursuant to the international section 214 authorizations acquired from Comsat. Under rules adopted in the **Foreign Participation Order**, the Commission classifies a U.S. carrier as a "dominant" international carrier on a particular route if it is, or is affiliated with, a foreign carrier that controls essential facilities on the foreign end of that route.¹⁶⁰

¹⁵⁹ See *infra* paras. 49-51.

¹⁶⁰ See **Foreign Participation Order**, 12 FCC Rcd at 23987, 23991-99, paras. 215, 221-39. A carrier classified as dominant on a particular U.S. international route due to an affiliation with a foreign carrier that has market power on the foreign end of the route is subject to specific international dominant carrier safeguards set forth in section 63.10 of the rules. See 47 C.F.R. § 63.10(c), (e). These safeguards are designed to address the possibility that a foreign carrier with control over facilities or services that are essential inputs for the provision of U.S. international services could discriminate against rivals of its U.S. affiliates (i.e., vertical harms). In the **Foreign Participation Order**, the Commission concluded that these safeguards, in conjunction with generally applicable international safeguards, are sufficient to protect against vertical harms by carriers from WTO Member countries in virtually all circumstances. In the exceptional case where an application poses a very high risk to competition in the U.S. market, and where the standard safeguards and additional conditions would be ineffective, the Commission reserves the right to deny the application. **Foreign Participation Order**, 12 FCC Rcd at 23913-14, para. 51. In circumstances where an affiliated foreign carrier possesses market power in a non-WTO Member (continued....)

48. Based on the representations in the record, we find that Intelsat USA License Corp. is not affiliated with a foreign carrier within the meaning of the Commission's rules.¹⁶¹ We therefore conclude that, upon closing, Intelsat USA License Corp. shall be classified as a non-dominant international carrier, pursuant to section 63.10 of the rules, on all authorized U.S. international routes. As a separate matter, however, and as explained in section III.C *supra*, Intelsat USA License will be treated as "dominant" in its provision of Intelsat space segment capacity for switched voice and private line service on non-competitive, or "thin," U.S. international routes and therefore will be subject to the alternative rate regulation currently applied to Comsat.¹⁶²

H. National Security, Law Enforcement, Foreign Policy and Trade Policy Concerns

49. When analyzing any transfer of control or assignment application in which foreign ownership is an issue, we also consider any national security, law enforcement, foreign policy, and trade policy concerns raised by the Executive Branch.¹⁶³ We recognize that there are significant national security and law enforcement issues that are uniquely within the expertise of the Executive Branch, and in addition to our own independent public interest review, we take into account the legitimate concerns raised by the Executive Branch regarding these issues.¹⁶⁴

50. In exchanges between the Applicants and the Executive Branch on matters relevant to law enforcement and national security issues surrounding the proposed transfer, Applicants provided information to the Executive Branch about their service offerings and Commission authorizations. Further, Applicants made certain commitments to the Executive Branch.¹⁶⁵ Specifically, Applicants stated that they do not provide common carrier switched services internationally or domestically.¹⁶⁶ Moreover, Comsat and Intelsat stated that they do not

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country, the Commission applies the "effective competitive opportunities," or "ECO," test as part of its public interest inquiry under section 214(a). *Id.* at 23944, para. 124.

¹⁶¹ 47 C.F.R. § 63.09(d)-(e). See International 214 Application, *supra* note 1, at 5.

¹⁶² See *supra* paras. 21-23. See also *Foreign Participation Order*, 12 FCC Rcd at 23951-52, para. 144 and 23987-88, para. 215 (explaining that the Commission's general regulatory framework distinguishes between the ability of U.S. carriers to harm competition and consumers in the U.S. market by exercising market power on the U.S. end of an international route and on the foreign end of that route).

¹⁶³ *Foreign Participation Order*, 12 FCC Rcd at 23918-21, paras. 59-66. These factors are relevant public interest factors in evaluating applications from parties affiliated with foreign entities when considering whether to grant or deny section 214 and section 310(b)(4) applications.

¹⁶⁴ *Id.* at 23919, para. 62.

¹⁶⁵ See Letter from John B. Reynolds, III, Wiley Rein & Fielding LLP, to James Lovelace, Chief, Technology Law Unit, Office of the General Counsel, Federal Bureau of Investigation (dated Oct. 15, 2002).

¹⁶⁶ *Id.* at 2

provide. and have no plans to provide, switched communications services via equipment authorized under current or anticipated future Title III radio licenses.¹⁶⁷ Intelsat, however, has made a commitment to notify the Executive Branch at least 30 days before providing switched services, including any such provision of services via equipment authorized under Title III licenses.¹⁶⁸ Based on these statements and the commitments made by Intelsat, the Executive Branch has not filed comments or objections to the proposed transaction. Rather, the Federal Bureau of Investigation (“FBI”) states that, in reliance on representations made by Comsat and Intelsat in an October 15, 2002 letter, the FBI and the Department of Justice “have decided not to file an objection or other comments” concerning the Applications filed in connection with the proposed transaction.¹⁶⁹ We also note that the Federal Trade Commission provided for early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.¹⁷⁰ Thus, based on the record before us and the commitments made by the Applicants to the Executive Branch, we conclude that the proposed transaction poses no national security, law enforcement, foreign policy, or trade policy concerns.

51. LRT argues that the Commission and Executive Branch should establish a special task force to assess whether the Applications raise national security implications.¹⁷¹ LRT, however, states that it recognizes that national security considerations are matters “reserved” to the appropriate U.S. government agencies and departments.¹⁷² We find no reason on the record to establish a special task force to assess whether the Applications raise any national security implications.

I. Other Issues

52. **LRT.** LRT raises other issues. First, LRT asks that any Commission grant be subject to “Protective Orders” that LRT has drafted and attached as Appendix A of its petition.” Further, LRT asks to review the Comsat-Intelsat purchase and sales agreement.¹⁷⁴ Additionally,

¹⁶⁷ *Id.* at 8

¹⁶⁸ *Id.* at 9

¹⁶⁹ See Leiter from Pauck W. Kelley, Deputy General Counsel, FBI to Secretary, Federal Communications Commission (filed Oct. 15, 2002). See also Letter from John B. Reynolds, III, Wiley Rein & Fielding LLP, to James Lovelace, Chief, Technology Law Unit, Office of the General Counsel, FBI (dated Oct. 15, 2002); Letter from Patrick W. Kelley to John B. Reynolds, III (dated Oct. 15, 2002).

¹⁷⁰ See FTC Letter, *supra* note 58.

¹⁷¹ LRT Provisional Petition at 32

¹⁷² *Id.*

¹⁷³ LRT Provisional Petition at 32, 33-39; LRT Reply at 6. LRT also filed, on June 7, 2002, a “Proposal for Administrative Dispute Resolution of Issues.” and, on July 22, 2002, a Motion to Strike all pleadings filed by Assignors in this proceeding. See LRT Motion to Strike, at 7.

¹⁷⁴ LRT Reply at 4

LRT argues that the Commission should adopt an order requiring Lockheed Martin to pay to the Commission all net proceeds from its sale of Comsat assets for the purpose of establishing a digital conversion fund and various other conditions.¹⁷⁵ We find no merit to these proposals, which are similar to those previously advanced by LRT and rejected by the Commission in previous proceedings.¹⁷⁶ The Commission previously has rejected requests by LRT that it issue “Protective Orders” similar to those proposed by LRT in this proceeding.” LRT fails to advance a basis for issuing a protective order that either has not been previously considered by the Commission or otherwise is supported by the facts of this proceeding. We also find no need here to review the Comsat-Intelsat purchase and sales agreement to address the issues raised in the Applications before us. Nothing presented by LRT persuades us of a need to require such additional information in this instance. And, we are not persuaded to adopt LRT’s proposal that the Commission should require Lockheed Martin, a private entity, to use proceeds from CWS transactions to fund some type of digital conversion fund. The Commission has previously rejected a similar proposal by LRT in another proceeding.¹⁷⁸ The proposal presented here has no relevance to the issues in this proceeding other than the fact of Comsat’s involvement. Finally, LRT has filed a motion to suspend action on the applications before us pending solicitation of further comments.¹⁷⁹ LRT bases its request upon press reports that Intelsat, Ltd. may be considering acquiring Eutelsat, S.A., a major satellite company in Europe. We deny LRT’s motion. Press reports speculating on possible future acquisitions by Intelsat, Ltd. are not a basis to delay action in this proceeding.

53. Pending Applications. Finally, Applicants request that grant of the Applications include authority for assignment to Intelsat of: (1) any authorization issued to Comsat/CWS during the pendency of the Commission’s consideration of the assignment applications or during the period required for consummation of the assignments following approval; and (2) applications that will have been filed by Comsat/CWS and that are pending at the time of

¹⁷⁵ LRT Provisional Petition at 16; LRT Reply at 6-8

¹⁷⁶ Nor do we see any merit in referring the matters raised by LRT to administrative dispute resolution, as proposed by LRT and opposed by Applicants. See LRT “Proposal for Administrative Dispute Resolution of Issues” (filed June 7, 2002). Administrative dispute resolution is a procedure that is voluntary for parties and discretionary to the Commission. See Administrative Dispute Resolution Act, 5 U.S.C. § 582(c). LRT’s longstanding “dispute” with Comsat is not relevant to this proceeding. See the cases cited at note 46 above. Further, we see no merit in LRT’s motions to strike Applicants’ filings. Nor do we find that LRT has demonstrated that Assignors have violated the Commission’s ex parte rules, as alleged by LRT in its Motion to Strike, Reply to Opposition to Motion to Strike, and “Motion to Strike Unauthorized Responsive Pleading of Comsat.”

¹⁷⁷ See Comsat-Lockheed Order, 15 FCC Rcd at 22918, para. 23; *Comsat-Lockheed* Reconsideration Order, FCC 02-197, at 4-5, para. 11; *Comsat-Telenor* Order, 16 FCC Rcd at 22920, para. 60.

¹⁷⁸ See *Comsat-Lockheed Reconsideration* Order, FCC 02-197, at paras. 5 and 20. See also *Comsat Corporation*, FCC 97-422, 13 FCC Rcd 2714, 2927, para. 33 (1998), recon. denied, 15 FCC Rcd 19516 (2000), in which the Commission emphasized that Comsat was a private corporation not subject to government management.

¹⁷⁹ Motion to Postpone Further Action Pending Solicitation of New Round of Comments (filed Sept. 23, 2002).

consummation of the proposed assignment.¹⁸⁰ We conclude that any authorizations issued during the pendency of this proceeding or filed after the Applications and still pending at the time of the release of this Order and Authorization should be deemed to be covered by this Order and Authorization to the extent that the pending applications are listed in Appendix C. Consistent with section 1.65 of the Commission's rules, Applicants should amend any current pending applications to reflect the transaction approved by this Order and Authorization.'''

IV. CONCLUSION

54. In view of the foregoing, we find that granting the applications to assign the licenses and authorizations listed in Appendix B to Intelsat LLC and Intelsat USA License Corp. will serve the public interest, convenience, and necessity consistent with sections 214(a) and 310(d) of the Communications Act of 1934. We also conclude that assignment of the listed international section 214 authorizations will not create risks to competition in the U.S. international services market that would warrant the imposition of additional competitive safeguards. Finally, pursuant to section 310(b)(4) and the Commission's "open entry" standard for indirect investment by WTO Members in U.S. common carrier licenses, we conclude that it will not serve the public interest to prohibit the proposed indirect foreign ownership of Intelsat LLC in excess of the statutory twenty-five percent benchmark. On this basis, and for the reasons described in this Order and Authorization, we grant the Applicants' requests to the extent described above.

V. ORDERING CLAUSES

55. Accordingly, IT IS ORDERED that, pursuant to section 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(d), the applications for assignment of licenses listed in Appendix B, ARE GRANTED to the extent specified in this Order and Authorization.

56. IT IS FURTHER ORDERED that, pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, the application for assignment of section 214 authorizations listed in Appendix B, IS GRANTED to the extent specified in this Order and Authorization.

57. IT IS FURTHER ORDERED that, pursuant to section 310(b)(4) of the Communications Act of 1934, as amended, the petition for declaratory ruling filed by Applicants IS GRANTED to the extent specified in this Order and Authorization. Accordingly, Intelsat LLC is authorized to accept indirect foreign ownership in excess of the twenty-five percent benchmark in section 310(b)(4) of the Act, as specified in this Order and Authorization.

58. IT IS FURTHER ORDERED that, pursuant to section 214 of the Communications

¹⁸⁰

Petition for Declaratory Ruling, *supra* note 1, at 11

¹⁸¹

47 C.F.R. § 1.65

Act of 1934, ~~as~~ amended, 47 U.S.C. § 214, and the Commission's decisions in the *Comsat Non-Dominance Order* and the *Comsar Alternative Rare Regulation Order*. Intelsat USA License Corp. or any successor entity shall be regulated as a dominant international carrier on thin routes in its provision of capacity for switched-voice and private line services, subject to the alternative rate regulation set out in the *Comsat Alternative Rare Regularion Order*, and as a non-dominant international carrier in its provision of all other common carrier services, as specified in this Order and Authorization.

59. IT IS FURTHER ORDERED that, pursuant to sections 4(i) and (j), 214(a), 214(c), 309, 310(b) and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 4(i) and (j), 214(a) and (c), ~~309, 310(b)~~ and (d), the Petition to Deny of AT&T Corp. and the Petition to Condition Grant of Worldcom, Inc. and Sprint Communications Company LP. ARE DENIED for the reasons stated herein.

60. IT IS FURTHER ORDERED that the Motion to Accept Supplement to Provisional Petition to Deny filed by Litigation Recovery Trust IS GRANTED, and we accept the Supplement to Provisional Petition to Deny into the record of this proceeding.

61. IT IS FURTHER ORDERED that the Provisional Petition to Deny, including the Proposed Protective Orders, and the Supplement to Provisional Petition to Deny of Litigation Recovery Trust ARE DENIED for the reasons stated herein.

62. IT IS FURTHER ORDERED that the Proposal for Administrative Dispute Resolution of Issues filed by Litigation Recovery Trust IS DENIED for the reasons stated herein.

63. IT IS FURTHER ORDERED that the Motion to Strike filed **by** Litigation Recovery Trust IS DENIED for the reasons stated herein.

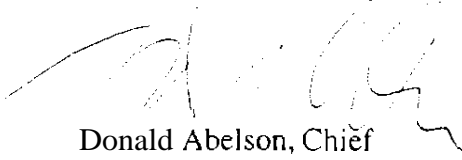
64. IT IS FURTHER ORDERED that the "Motion to Strike Unauthorized Responsive Pleading of Comsat" filed by Litigation Recovery Trust IS DENIED for the reasons stated herein.

65. IT IS FURTHER ORDERED that the "Motion to Postpone Further Action Pending Solicitation of New Round of Comments" filed by Litigation Recovery Trust IS DENIED for the reasons stated herein.

66. IT IS FURTHER ORDERED that, pursuant to section 1.65 of the Commission's rules, ~~47~~ C.F.R. § 1.65, the Applicants are afforded thirty days from the date of release of this Order and Authorization to amend all pending applications in connection with the instant Application to reflect the new ownership structure approved in this Order and Authorization.

67. This Order and Authorization is issued pursuant to sections ~~0.261~~ and ~~0.331~~ of the Commission's rules on delegated authority, 47 C.F.R. §§ ~~0.261, 0.331~~, and ~~is~~ effective upon release. Petitions for reconsideration under section ~~1.106~~ or applications for review under section ~~1.115~~ of the Commission's rules, 47 C.F.R. §§ ~~1.106, 1.115~~, may be filed within 30 days of the date of the release of this Order and Authorization. *See* 47 C.F.R. § 1.4(b)(2).

FEDERAL COMMUNICATIONS COMMISSION

A handwritten signature in black ink, appearing to read 'D. Abelson', written over the printed name.

Donald Abelson, Chief

International Bureau

A handwritten signature in black ink, appearing to read 'Tom Sugrue', written over the printed name.

Thomas Sugrue, Chief

Wireless Telecommunications Bureau

**APPENDIX A
LIST OF PARTIES**

Lockheed Martin Corporation, COMSAT Corporation, and COMSAT Digital Teleport, Inc.
(Assignors)

Intelsat. Ltd., Intelsat (Bermuda), Ltd., Intelsat LLC, and Intelsat USA License Corp. (Assignees)
AT&T *Corp.*

Litigation Recovery Trust

Verestar, Inc.

Worldcom, Inc. and Sprint Communications Company LP

APPENDIX B LIST OF APPLICATIONS

Petition for Declaratory Ruling

ISP-PDR-20020405-00010 Intelsat. Ltd., Intelsat (Bermuda). Ltd., Intelsat LLC

International Section 214 Authorizations

ITC-ASG-20020405-00185 COMSAT Corporation (also known as Communications Satellite Corporation) to assign several international section 214 authorizations to provide common carrier services:

IPC-50	css-90-001
css-81-003-P	ITC-92-144
IPC-83-008; Transmittal Nos. 428 & 431	ITC-92-141
css-82-001-P	ITC-93-046
ITC-84-150	ITC-93-134
ITC-85-086	CSS-92-004
ITC-85-160	ITC-94-272
ITC-86-025	ITC-94-351
ITC-86-109	ITC-95-310
ITC-88-006	ITC-95-407
ITC-88-207; CSG-88-090-P/L	ITC-96-173
CSS-88-005	CSS-95-002
CSS-89-004	CSS-93-009(4)-A (Sept. 19, 1997)
ITC-87-097	CSS-93-009(4)-A (May 22, 1998)
ITC-91-024	10010-CSS-MP-80
ITC-91-215-A; ITC-92-041; ITC-92-047; ITC-92-074	ITC-MS-20011101-00550

Earth Station Assignment Applications

<u>File No.</u>		<u>Call Sign(s) & Regulatory Status</u>
SES-ASG-20020405-00552	Comsal General	E970168 (Non-Common Carrier)
SES-ASG-20020405-00561	Comsal General	E930312, E980510, WA27, WN52 (Common Carrier)
SES-ASG-20020405-00564	Comsal Corp/CWS	KA25, KA251, KA258, KA259, KA260, KA261, KA262, KA264, KA265, KA266, KA267, KA268, KA269, KA270, KA275, KA398, WA22 (Common Carrier)
SES-ASG-20020405-00565	Comsal Corp/CWS	E920519, E970091, E970319, E970325, E970326, E970330, E980485, KA263 (Non-Common Carrier)
SES-ASG-20020405-00566	Comsal Digital Telephon. Inc	E000355, E980526, E990122, E990131 (Non-Common Carrier)

Federal Communications Commission

Earth Station Modification Applications

<u>File No.</u>	<u>Licensee</u>	<u>Call Sign(s) & Regulatory Status</u>	
SES-MOD-20020405-00568	Comsat Corp/CWS	KA258	Common Carrier
SES-MOD-20020405-00569	Comsat Corp/CWS	KA259	Common Carrier
SES-MOD-20020405-00570	Comsat Corp/CWS	KA261	Common Carrier
SES-MOD-20020405-00571	Comsar Corp/CWS	KA260	Common Carrier
SES-MOD-20020405-00572	Comsar Corp/CWS	KA262	Common Carrier
SES-MOD-20020405-00574	Comsat Corp/CWS	KA264	Common Carrier
SES-MOD-20020405-00579	Comsat Corp/CWS	KA265	Common Carrier
SES-MOD-20020405-00581	Comsai Corp/CWS	KA266	Common Carrier
SES-MOD-20020405-00582	Comsat Corp/CWS	KA267	Common Carrier
SES-MOD-20020405-00583	Comsar Corp/CWS	KA268	Common Carrier
SES-MOD-20020405-00590	Comsat Corp/CWS	KA270	Common Carrier
SES-MOD-20020405-00591	Comsat Corp/CWS	KA269	Common Carrier
SES-MOD-20020405-00592	Comsat Corp/CWS	KA398	Common Carrier
SES-MOD-20020405-00593	Comsai Corp/CWS	WA22	Common Carrier
SES-MOD-20020405-00594	Comsat General	E930312	Common Carrier
SES-MOD-20020405-00595	Comsar General	E980510	Common Carrier
SES-MOD-20020405-00596	Comsat General	WA27	Common Carrier
SES-MOD-20020405-00597	Comsat General	WN52	Common Carrier
SES-MOD-20020405-00619	Comsar Corp/CWS	KA25	Common Carrier
SES-MOD-20020405-00620	Comsai Corp/CWS	KA251	Common Carrier
SES-MOD-20020405-00621	Comsat Corp/CWS	KA275	Common Carrier

Private Land Mobile Radio Assignment Application

	<u>Licensee</u>	<u>Call Sign(s)</u>
0000838233	Comsar Corp/CWS	WPAG761, WPAM980

APPENDIX C

**FOREIGN OWNERSHIP INFORMATION &
PENDING APPLICATIONS AND AUTHORIZATIONS**



Wiley Rein & Fielding LLP

ORIGINAL

EX PARTE OR LATE FILED

1716 K STREET NW
WASHINGTON DC 20006
PHONE 202 719 7000
FAX 202 719 7009

September 6, 2002

Rosemary C. Harold
202.719.4901
rharold@wrf.com

7925 JONES BRANCH DRIVE
SUITE 200
MILFORD VA 22102
PHONE 703 904 7110
FAX 703 905 2610

BY HAND DELIVERY

RECEIVED

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

James L. Ball, Chief
Policy Division, International Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

www.wrf.com

Re: Application for Consent to Assignments, IB Docket No. 02-87

Dear Mr. Ball:

On behalf of Intelsat. Ltd., please find attached an updated version of the Intelsat Shareholders chart that was submitted with the above-referenced applications. See Exhibit 1. As requested, the chart now shows all entities that have become Intelsat shareholders, either through pre-privatization or post-privatization investments, since the Commission issued its *Intelsat Licensing Order* in 2000.¹

The applicants also use this opportunity to provide further updated information concerning the status of license applications or authorization requests associated with the proposed transaction.² Exhibit 2 provides a modified listing of the licenses that are the subject of the pending assignment application here. The exhibit reflects the following updated status information:

- New expiration dates were added for the following earth stations and industrial business licenses: E920519; WN52; WPAG761; and WPAM980.
- The following expired Special Temporary Authorizations ("STA"s) and STA requests were removed:
 - SES-STA-20011107-02081
 - SES-STA-20020213-00243
 - SES-STA-20011107-02080

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¹ See *In the Matter of the Applications of INTELSAT LLC: For Authority to Operate, and to Further Construct, Launch, and Operate C-band and Ku-band Satellites that Form a Global Communications System in Geostationary Orbit*, 15 FCC Rcd 15460, Appendix B (2000).

² Because this submission is limited to those purposes, it does not constitute a "substantial change... of decisional significance" under the applicable rule. See 47 C.F.R. § 1.65(a).

James L. Ball
September 6, 2002
Page 2

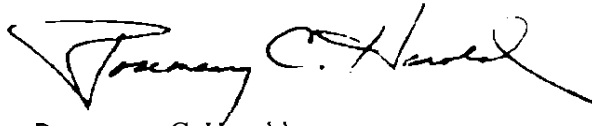
- SES-STA-20011203-02313
- SES-STA-20020220-00288
- SES-STA-20011107-02088
- SES-STA-20020213-00241
- SES-STA-20020227-00332
- For earth station ~~KA~~**A258**, STA request filed on **3/11/2002** (to provide in-orbit ~~testing~~ for INTELSAT 903).
- For earth station ~~KA~~**A258**, STA request filed on 3/12/2002 (to provide TT&C and LEOP for DirecTV-5).
- For earth station ~~KA~~**A258**, STA request filed on 3/11/2002 (to provide TT&C and LEOP services for Echostar-8).
- For earth station ~~KA~~**A258**, STA request filed on 3/8/2002 (to provide in-orbit testing for **NSS-7**).
- For ~~earth~~ station ~~KA~~**A275**, STA request **filed** on **3/8/02** (to provide in-orbit testing for NSS-7).
- The following new STAs and STA requests were added:
 - SES-STA-20020726-01186 (to provide TT&C and LEOP services for Echostar-8; expires 9/15/02)
 - SES-STA-20020320-00461 (to operate **with** increased maximum E.I.R.P.; expires 9/29/02)
 - For earth station **KA25**, **STA request filed on 8/6/02** (to provide TT&C and LEOP services for INTELSAT 906).
 - For ~~earth~~ station **KA275**, STA request filed on 8/6/02 (to provide TT&C and LEOP services for INTELSAT 906).

Wiley Rein & Fielding LLP

James L. Ball
September 6, 2002
Page 3

Please direct any inquiries regarding this information to the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rosemary C. Harold". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

Rosemary C. Harold
Counsel to the Applicants

cc: Kathleen Collins, IB
Alexandra Field, IB
Susan O'Connell, IB
Marc C. Rosenblum, AT&T Corp.
H. Richard Juhnke, Sprint Communications Company L.P.
Kerry E. Murray, WorldCom, Inc.
William L. Whitely, Litigation Recovery Trust
Scott H. Lyon, Verestar, Inc.
Alfred M. Mamlet, Counsel to Sprint and WorldCom

EXHIBIT 1

Intelsat Shareholders
Updated since Application filing, April 5, 2002

(Shareholders are ranked in order of Percentage of Shares, associated entities are grouped together)

Name	Nationality	% Government Ownership	# Shares	% Shares/Votes	WTO Y/N?†	Interest Held Prior To Licensing Order (March 2000 Data)?
COMSAT Corporation	United States		36,319,340	21.791592%	Y(M)	Yes
COMSAT General Corporation	United States		1,983,149	1.189889%	Y(M)	Yes
COMSAT Argentina S.A.	(United States – shares recently transferred to COMSAT Corporation) ☐		1,771,957	1.063174%	Y(M)	Yes
COMSAT Brazil Ltda	(United States – shares recently transferred to COMSAT Corporation) ☐		10,244	0.006146%	Y(M)	Yes
COMSAT International Ventures	United States		2	0.000001%	Y(M)	Yes
Videsh Sanchar Nigam Limited	India		9,015,314	5.409186%	Y(M)	Yes
FRANCE TELECOM	France	54%	7,049,234	4.229538%	Y(M)	Yes
Telenor Broadband Services AS	Norway	79%	6,855,530	4.113316%	Y(M)	Yes
British Telecommunications plc	United Kingdom		6,388,702	3.833219%	Y(M)	Yes
Teleglobe, Inc.	Canada		6,284,635	3.770779%	Y(M)	Yes
Teleglobe International (UK) Ltd.	United Kingdom		2	0.000001%	Y(M)	Yes
Deutsche Telekom AG	Germany	42%	5,718,954	3.431371%	Y(M)	Yes
Genesis Sechste Verwaltungsgesellschaft mbH	Germany		4,605,244	2.763145%	Y(M)	No
Empresa Brasileira de Telecomunicações S.A. (EMBRATEL)	Brazil		3,910,169	2.346100%	Y(M)	Yes
Cable & Wireless plc	United Kingdom		3,410,112	2.046066%	Y(M)	Yes
Cable & Wireless Panama S.A.	Panama	49%	487,559	0.292535%	Y(M)	Yes
Cable & Wireless Jamaica Limited	Jamaica		368,444	0.221066%	Y(M)	Yes
Cable & Wireless (West Indies) Ltd.	United Kingdom		216,220	0.129732%	Y(M)	Yes
Cable & Wireless BET Limited	Barbados		148,407	0.089044%	Y(M)	Yes
Telstra Corporation Limited	Australia	51%	2,842,777	1.705665%	Y(M)	Yes
CHINA TELECOM	China, People's Rep. Of	100%	2,769,292	1.661574%	Y(M)	Yes
Türk Telekomunikasyon A.S.	Turkey	100%	2,502,134	1.501280%	Y(M)	Yes
Empresa Nacional Telecomunicaciones TELECOM	Colombia	100%	2,500,390	1.500233%	Y(M)	Yes
Telecommunication Company of Iran	Iran, Islamic Rep. of	70%	2,434,474	1.460684%	N	Yes
Orbital Holdings, Ltd.	United Kingdom		2,293,170	1.375901%	Y(M)	No
KPN Satcom B.V. (succeeding entity of Koninklijke PTT Nederland NV (KPN))	Netherlands	80%	2,024,029	1.214417%	Y(M)	Yes
TELKOM SA Limited	South Africa	70%	1,930,115	1.158068%	Y(M)	Yes
KDDI Corporation	Japan	45.9%	1,892,884	1.135730%	Y(M)	Yes
Venezuelan Telephone Company (Compañía Anónima Nacional Teléfonos de Venezuela)	Venezuela		1,865,544	1.119326%	Y(M)	Yes
Singapore Telecommunications Limited	Singapore	78%	1,581,372	0.948823%	Y(M)	Yes
Optus Networks Pty. Limited	Australia		1,551,372	0.930823%	Y(M)	No ††
Telefonica del Perú, S.A.A.	Peru		1,548,075	0.928845%	Y(M)	Yes
Saudi Telecom Company (STC)	Saudi Arabia	100%	1,506,892	0.904135%	Y(O)	Yes
Ministry of Communications of the Government of the United Arab Emirates	United Arab Emirates	100%	1,363,459	0.818075%	Y(M)	Yes
Swisscom AG	Switzerland	70%	1,263,054	0.757832%	Y(M)	Yes
"BEZEQ" The Israel Telecommunication Corporation Limited	Israel	54%	1,234,100	0.740460%	Y(M)	Yes
Telefónica de España, S.A.	Spain		1,224,877	0.734926%	Y(M)	Yes
Korea Telecom Corp.	Korea, Rep. of	57.9%	1,217,695	0.730617%	Y(M)	Yes
Pakistan Telecommunications Company (succeeding entity of the Government of the Islamic Republic of Pakistan) (Trust I)	Pakistan		1,106,707	0.664024%	Y(M)	Yes

Interest Shareholders
Updated since Application filing, April 5, 2002

Interest Held Prior To Order (March 2000 Data)?	WTO Y/N ¹	% Shares/ Votes	# Shares	Government % Ownership	Nationality	Name
						Pakistan Telecommunication Company (succeeding entity of the Government of the Islamic Republic of Pakistan) (Lodan Trust Co. Ltd. Under Collat. Trust)
Yes	Y(M)	0.009907%	16,512			Pakistan
Yes	Y(M)	0.645062%	1,075,104			Empresa Nacional de Telecomunicaciones S.A. (ENTEL) *
Yes	Y(M)	0.188008%	313,347			Empresa Nacional de Telecomunicaciones (ENTEL)
Yes	Y(M)	0.641507%	1,069,179	100%		Ministry of Communications, The State of Kuwait
No **	Y(M)	0.633439%	1,055,732			PCW-HKT Limited China People's Rep. Of
Yes	Y(M)	0.628720%	1,047,867	6.8%		Companhia Portuguesa Radio Marconi (NITEL)
Yes	Y(M)	0.598480%	997,467	100%		Nigerian Telecommunications Limited (Bank of Russia)
Yes	Y(O)	0.508869%	848,115	100%		Central Bank of Russian Federation (Bank of Russia)
Yes	Y(M)	0.500222%	833,704	64%		TELEKOM MALAYSIA BERHAD (128740-P)
Yes	Y(M)	0.492358%	820,597			Telecom Corporation of New Zealand Limited
Yes	Y(M)	0.475809%	793,015	100%		The Communications Authority of Thailand (CAT)
Yes	Y(M)	0.461669%	769,449	100%		Telecom Egypt
Yes	Y(M)	0.338014%	563,357			TELECOMUNICACIONES DE MEXICO (TELECOM)
Yes	Y(M)	0.337254%	562,090	76%		PT INDOSAT Bahrein Telecommunications Company (BATELCO)
Yes	Y(M)	0.334849%	558,082	39%		Telkom Kenya Limited (formerly associated as Kenya Posts and Telecommunications Corporation)
Yes	Y(M)	0.323801%	539,669	100%		Telia AB
Yes	Y(M)	0.313238%	522,064	70%		Government of the Democratic and Popular Republic of Algeria
Yes	Y(O)	0.308217%	513,695	100%		TELE Greenland A/S
Yes	Y(M)	0.297980%	496,634	100%		Government of the Great Socialist People's Libyan Arab Jamahiriya
Yes	N	0.290852%	484,754	100%		Empresa Guineal de Telecomunicaciones
No **	Y(M)	0.256476%	427,460			VISOR Investment Solutions Ltd. *
No	Y(O)	0.251826%	419,710			Vietnam Posts and Telecommunications Corporation
Yes	Y(O)	0.248529%	414,215	100%		Tiekomunikacija Polska S.A. (formerly listed as The Polish Telecommunications Company)
Yes	Y(M)	0.242525%	404,209	65%		BELGACOM
Yes	Y(M)	0.238360%	397,267	50.1%		Sri Lanka Telecom, Ltd.
Yes	Y(M)	0.236966%	394,944	65%		Philippine Communications Satellite Corporation (PHILCOMSAT)
Yes	Y(M)	0.236883%	394,805			Hellenic Telecommunications Organization (OTE) S.A. (Trust II)
Yes	Y(M)	0.234122%	390,204			ANGOLA TELECOM, E.P. (formerly listed as Empresa de Telecomunicacoes de Angola)
Yes	Y(M)	0.228308%	380,514	100%		Societe Nationale des Telecommunications (SONATEL)
Yes	Y(M)	0.228209%	380,349	30%		Senegal
Yes	Y(M)	0.214444%	357,412			SpaceLink International LLC United Kingdom
Yes	Y(M)	0.213385%	355,642			Compania Dominicana de Telefonos, C. por Dominican Republic

Intelsat Shareholders
Updated since Application filing, April 5, 2002

Name	Nationality	% Government Ownership	# Shares	% Shares/ Votes	WTO Y/N?*	Interest Held Prior To Licensing Order (March 2000 Data)?
Telegraph & Telephone Board of Bangladesh	Bangladesh	100%	355,197	0.213118%	Y(M)	Yes
Government of the Republic of Iraq (Trust II)	Iraq	100%	350,942	0.210565%	N	Yes
Ghana Telecommunications Company Limited	Ghana	70%	347,544	0.208526%	Y(M)	Yes
Russian Satellite Communications Company (RSCC) (Trust II)	Russian Federation	100%	335,290	0.201174%	Y(O)	Yes
Jordan Telecommunications Company (formerly listed as Jordan Telecom)	Jordan	60%	332,445	0.199467%	Y(M)	Yes
L'Agence des Télécommunications de Côte d'Ivoire (ATCI)	Côte d'Ivoire	100%	329,692	0.197815%	Y(M)	Yes
Telekom Austria Aktiengesellschaft	Austria	47.8%	321,462	0.192877%	Y(M)	Yes
Telekom Austria Aktiengesellschaft (Codan Trust Co. Ltd. Under Collat. Trust)	Austria	48%	1,259	0.000755%	Y(M)	Yes
Instituto Costarricense de Electricidad	Costa Rica	100%	316,027	0.189616%	Y(M)	Yes
Mauritius Telecom Limited	Mauritius		316,027	0.189616%	Y(M)	Yes
TDC Tele Danmark A/S	Denmark		313,192	0.187915%	Y(M)	Yes
Cameroon Telecommunications (CAMTEL)	Cameroon	100%	310,170	0.186102%	Y(M)	Yes
Qatar Public Telecommunications Corporation (Q-TEL)	Qatar	55%	281,672	0.169003%	Y(M)	Yes
Government of Lebanon	Lebanon	100%	281,102	0.168661%	Y(O)	Yes
Oman Telecommunications Company (S.A.O.C.) - Omantel (succeeding entity of General Telecommunications Organization)	Oman	100%	280,187	0.168112%	Y(M)	Yes
Itissalat Al Maghrib S.A.	Morocco	51%	271,200	0.162720%	Y(M)	Yes
Telepuerto Internacional Buenos Aires, S.A. (TIBA)	Argentina		265,951	0.159571%	Y(M)	No
Telecom Argentina STET - France Telecom S.A.	Argentina		260,432	0.156259%	Y(M)	No ff
Office des Postes et Télécommunications de Polynésie Française	France		259,987	0.155992%	Y(M)	Yes
Tecoar S.A.	Argentina		256,135	0.153681%	Y(M)	Yes
SOCIETATEA NATIONALA DE RADIOCOMUNICATII S.A.	Romania	65%	255,077	0.153046%	Y(M)	Yes
Empresa Nacional de Telecomunicações de Moçambique, E.P. - TDM	Mozambique	100%	255,024	0.153014%	Y(M)	Yes
Andinatel S.A.	Ecuador	100%	253,074	0.151844%	Y(M)	Yes
Comisión Nacional de Telecomunicaciones (CONATEL)	Paraguay	100%	251,407	0.150844%	Y(M)	Yes
Tanzania Telecommunications Company Limited	Tanzania	65%	232,860	0.139716%	Y(M)	Yes
Ethiopian Telecommunications Corporation	Ethiopia	100%	220,424	0.132254%	Y(O)	Yes
Jabatan Telekom of Brunei Darussalam (formerly listed as Department of Telecommunications, Ministry of Communications) (Trust II)	Brunei Darussalam		218,365	0.131019%	Y(M)	Yes
Iceland Telecom Limited	Iceland	100%	214,605	0.128763%	Y(M)	Yes
JSC TNS-Plus (Trust II)	Kazakhstan		204,402	0.122641%	Y(O)	Yes
Telefónica de Argentina	Argentina		203,059	0.121835%	Y(M)	Yes
The Bahamas Telecommunication Corporation (BATELCO)	Bahamas	100%	192,202	0.115321%	Y(O)	Yes
Côte d'Ivoire (CI Telecom)	Côte d'Ivoire	49%	184,002	0.110401%	Y(M)	Yes
TELECOM MALAGASY S.A.	Madagascar	66%	181,700	0.109020%	Y(M)	Yes
MONACO TELECOM S.A.M.	Monaco		174,002	0.104401%	N	Yes

Intelsat Shareholders
Updated since Application filing, April 5, 2002

Name	Nationality	% Government Ownership	# Shares	% Shares/Votes	WTO Y/N?†	Interest Held Prior To Licensing Order (March 2000 Data)?
Hungarian Satellite Communications Association (formerly listed as <i>Autoritativ</i>) (HUNSAT)	Hungary		171,509	0.102905%	Y(M)	Yes
Société des Télécommunications du Mali (SOTELMA)	Mali	100%	166,232	0.099739%	Y(M)	Yes
Société des Télécommunications du Togo (TOGO TELECOM) *	Togo	100%	164,170	0.098502%	Y(M)	Yes
Government of the Syrian Arab Republic	Syria	100%	162,145	0.097287%	N	Yes
Rudolph Schillinger *	Switzerland		156,692	0.094015%	Y(M)	No
Office Congolais des Postes et Télécommunications (OCPT)	Congo, Dem. Rep. of	100%	151,403	0.090842%	Y(M)	Yes
Office Congolais des Postes et Télécommunications (OCPT) (Codan Trust Co. Ltd. Under Collat. Trust)	Congo, Dem. Rep. of	100%	100,851	0.060511%	Y(M)	Yes
Advance Telecomunicaciones S.A.	Argentina		148,939	0.089363%	Y(M)	Yes
Government of the Republic of Yemen	Yemen	100%	143,144	0.085886%	Y(O)	Yes
RTE Commercial Enterprises Ltd	Ireland		142,579	0.085547%	Y(M)	Yes
Gabon Telecom S.A. (formerly listed as <i>Office des Postes et Télécommunications (OPT)</i>)	Gabon	100%	142,467	0.085480%	Y(M)	No
Zambia Telecommunications Company Ltd	Zambia	100%	138,957	0.083374%	Y(M)	Yes
Government of the Republic of the Sudan	Sudan	100%	138,849	0.083309%	Y(O)	Yes
Nepal Telecommunications Corporation	Nepal	100%	133,139	0.079883%	Y(O)	Yes
Pacificel S.A.	Ecuador		129,682	0.077809%	Y(M)	Yes
Datasat Communications Limited	United Kingdom		127,519	0.076511%	Y(M)	Yes
Société Nigérienne des Télécommunications (SONITEL)	Niger	100%	122,957	0.073774%	Y(M)	Yes
Télécommunications D'Haiti, S.A. (formerly listed as <i>Telecom Haiti</i>)	Haiti		115,079	0.069047%	Y(M)	Yes
Fiji International Telecommunications Limited (FINTEL)	Fiji	51%	114,919	0.068951%	Y(M)	Yes
Telecommunications Services of Trinidad and Tobago Limited	Trinidad & Tobago	51%	112,369	0.067421%	Y(M)	Yes
Telikom PNG Limited	Papua New Guinea	100%	111,336	0.066802%	Y(M)	Yes
Telikom PNG Limited (Codan Trust Co. Ltd. Under Collat. Trust)	Papua New Guinea	100%	1,034	0.000620%	Y(M)	Yes
MALTACOM p.l.c.	Malta	60%	104,354	0.062612%	Y(M)	Yes
Ceske Radiokomunikace a.s.	Czech Republic	51%	102,954	0.061772%	Y(M)	Yes
Compania de Telecomunicaciones de El Salvador, S.A. de C.V.	El Salvador	49%	98,305	0.058983%	Y(M)	Yes
Public Enterprise PTT Bosnia and Herzegovina	Bosnia & Herzegovina	100%	97,680	0.058608%	Y(O)	Yes
Office National des Télécommunications (ONATEL) du Burkina Faso	Burkina Faso	100%	96,857	0.058114%	Y(M)	Yes
Kingston TLI Ltd.	United Kingdom		96,307	0.057784%	Y(M)	Yes
Compañía de teléfonos de Chile Transmisiones Regionales S.A.	Chile		96,022	0.057613%	Y(M)	Yes
Ministry of Maritime Affairs, Transport and Communications	Croatia	65%	95,955	0.057573%	Y(M)	Yes
Cyprus Telecommunications Authority (Trust II)	Cyprus	100%	95,955	0.057573%	Y(M)	Yes
Malawi Telecommunications Limited (formerly associated as <i>Malawi Posts and Telecommunications Corporation</i>)	Malawi	100%	95,955	0.057573%	Y(M)	Yes
Community of the Yugoslav Posts, Telegraphs and Telephones	Yugoslavia	51%	95,955	0.057573%	Y(O)	Yes